

Project Name: _____ Location (City/County) _____

VIRGINIA DEPARTMENT OF HEALTH (VDH)
OFFICE OF DRINKING WATER (ODW)
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

RETURN APPLICATION TO:

Virginia Department of Health
Office of Drinking Water
109 Governor Street, 6th Floor
Richmond, VA 23219
(Voice: 804-864-7501)
(FAX: 804-864-7521)

**Note: Submit two complete and
signed applications and two copies of
all required attachments**

APPLICATION FOR CONSTRUCTION FUNDS

Application also available at: <http://www.vdh.virginia.gov/odw/financial/dwfundingprogramdetails.htm>

Year-Round Submittals Accepted

*Applicants are advised to schedule the required Preliminary Engineering Conference with the
appropriate ODW Field Office prior to February 15th.*

PRE-REQUIREMENTS FOR FUNDING

If you answer **YES** to these questions; **STOP** as you are not eligible to apply for funds.

1. Have you been debarred or suspended from applying for state or federal funds? ☐ Yes ☐ No.
2. Is your waterworks state, federally, or tribally owned? ☐ Yes ☐ No.

PRE-REQUIREMENTS FOR CONSTRUCTION APPLICATIONS

If you answer **NO** to any of these questions; **STOP** as you are not ready to apply for construction funds.

Please contact us to work with you on planning the project.

1. Are you either a community or non-profit noncommunity waterworks? ☐ Yes ☐ No.
2. Have you had a Preliminary Engineering Conference (PEC) with ODW's Field Office? ☐ Yes ☐ No.
3. Source – ☐ Yes ☐ No.
Do you have an adequate drinking water source or source agreement contract?
If yes, provide documentation from ODW's Field Office that the source or contract is adequate.
☐ Not Applicable-project is for new well.
4. User Agreements for new service area customers - ☐ Not Applicable
Do you have executed agreements or commitments from your initial survey from a majority of customers in the project area?
☐ Yes ☐ No.
If yes, please provide an area map indicating existing potential connections and indicating those committed.
NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.

SHARING APPLICATION INFORMATION

Occasionally VDH may share application information with other funding entities in an effort to facilitate funding partnerships and assisting you in seeking other funding opportunities. Your selection of "Yes" or "No" will not impact the prioritization of your project.

Do you have any objections? ☐ Yes, I object. Do not share information ☐ No, I have no objections.

SECTION A – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

1. Project Name: _____ Location (City/County) _____
2. Waterworks type:
- ☐ Publicly-owned community PWS ID number: _____ System Name: _____
- ☐ Investor-owned community PWS ID number: _____ System Name: _____
- ☐ Nonprofit noncommunity PWS ID number: _____ System Name: _____
- ☐ None of the above Explanation: _____
3. Legal Owner of Waterworks or Authorized Agent
- a. Name: _____
- b. Address: _____
Street Address/P.O. Box Town/City State ZIP
- c. Contact Person: _____
- d. Telephone Number: _____ Alternate Number: _____
- e. FAX Number: _____ E-mail Address: _____
- f. Federal DUNS #: _____ CCR # _____
4. Engineering Consultant (If applicable)
- a. Firm Name: _____
- b. Address: _____
Street Address/P.O. Box Town/City State ZIP
- c. Preferred Contact Info:
- Contact Person: _____
Name Title
- Telephone Number: _____ Alternate Number: _____
- E-mail Address: _____ Alternate E-mail Address: _____
- FAX Number: _____

SECTION B – APPLICATION CERTIFICATION

Submittal of this application is only a starting point for discussion and is not a binding agreement on either party.

Incomplete information may result in the delay or rejection of the application request.

The undersigned representative of the applicant certifies that the information contained herein and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

Owner or Chief Administrative Officer of Waterworks:

NAME and TITLE: _____

ORGANIZATION: _____

SIGNATURE : _____ DATE: _____

SECTION C – REQUIRED ATTACHMENTS – Please check those attached and label your attachments with corresponding numbers (i.e. C-1, C-2, etc.).

1. Other Funds Available (e.g. Letters of conditions, award letters, etc.)
2. Outstanding debt amount and with whom
3. Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
4. Project issue documentation.
5. Median Household Income – including site income surveys if census information not at project level.
6. VDH's 4 page Construction Project Schedule.
7. Results of user agreement/commitment initial survey with project map.
8. Adequate drinking water source or source agreement contract – VDH approved.
9. Preliminary Engineering Conference documentation/notes or VDH-Office of Drinking Water letter/email waiving this requirement. If a Preliminary Engineering Report has been drafted for this project include a copy of that also. Any letter reports, design memos, or alternatives analysis should be included in this section.
10. Explain status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.)
11. Current rate schedule for water and sewer and connection fee for water and date of last increase.
12. Monthly average of residential water usage.
13. Listing of 10 largest sewer users and estimated monthly flows per user.
14. Listing of 10 largest water users and estimated monthly consumption per user.
15. Basis for O, M & R cost for proposed project and existing system.
16. One copy of the latest interim (unaudited) financial statement.
17. One copy of the current year budget.
18. One copy each of the three most recent (within 5 years) annual audits (or Tax Returns for individuals).
19. For the proposed project – a six-year cash flow analysis of revenue – using VDH project only template- and expenses (operating budget) showing as a bottom line funds available for debt service.
20. For the entire waterworks including proposed project(s) – a six year cash flow analysis – using VDH overall waterworks template- of revenue and expenses (operating budget) showing as a bottom line funds available for debt service.
21. Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system lines and tanks from cracks, leaks, and tank overflows divided by total water production. Should match Section G.1.f.
22. Asset Management Plan (as described in Section J).

Items 9, 18 and 22 may be submitted in PDF format on a CD provided 2 copies of the CD are submitted.

Items 19 and 20 may also be included in spreadsheet format on the CDs.

SECTION D – PROPOSED PROJECT DESCRIPTION – Provide Documentation

Please provide a brief summary and a detailed project description including a map/sketch depicting the project area and proposed facilities including length of waterlines, storage tank(s) sizes, etc. (Sketches on 8 ½ by 11 portions of topo sheets are adequate.)

I. Brief Summary – 3 sentences or less for each A, B, and C.

A. Briefly describe the problem that this project intends to correct.

B. Briefly describe the proposed project by size (e.g. diameter, volume, pump capacity) and units (e.g. linear feet for pipe and number for tanks and pump stations).

C. Briefly describe the benefits to be realized upon successful completion of the project.

II. Demographics

A. Describe income levels in the proposed project area.

B. Describe the community that benefits from the proposed project.

C. Describe the type number and stories of structures (primary residences, vacation homes, industrial buildings, etc.) and amount of vacate land. For small projects (less than 75 homes), provide tax map information showing parcel number, owner, and valuation.

SECTION E - PROPOSED FINANCING

1. Construction Funding for this Project

- a. VDH Funding Assistance Needed \$ _____
(only include SRF eligible items and should match Section H – Project Budget Information, Item 14)
- b. Other Funds Available: – **Provide documentation as Attachment C-1.**

	<u>Source Dollars</u>	<u>Source Name</u>	<u>Status of Securing Other Funding</u> (Approved, pending, indicate loan terms, and date available, etc.)
1 a. grant	_____	_____	_____
b. loan	_____	_____	_____
2 a. grant	_____	_____	_____
b. loan	_____	_____	_____
3 a. grant	_____	_____	_____
b. loan	_____	_____	_____
4 a. grant	_____	_____	_____
b. loan	_____	_____	_____

Subtotal: _____

- c. Total Project Cost (1a + 1b) = \$ _____

2. Type of security applicant anticipates giving for the loan: *[Check All Appropriate Type(s)]*

- ☐ Pledge of Revenue of the Water System Only.
- ☐ Pledge of Revenue of Water and Sewer System.
- ☐ General Obligation of the Locality.
- ☐ Other – Describe: _____

3. Do you have any outstanding debt related to the water and sewer system? ☐ Yes ☐ NoIf yes, have you requested that new debt be issued on parity with the old? ☐ Yes ☐ No**Provide documentation as Attachment C-2.**

4. Median Household Annual Income of area to be served _____

Use the census block or latest update for county/city/towns (<http://factfinder.census.gov>). Provide project specific income survey data for those projects not large enough to be identifiable via census information.

If you have applied or will apply to other funding agencies that require an income survey, attach the results to this application. For efficiency consider doing income and user agreement surveys at the same time.

Provide Documentation of Basis/Referenced Source as Attachment C-5

SECTION F - PROJECT ISSUES – Provide documentation as Attachment C-4 of each yes answer.

Presented here are relative issues that need consideration for construction projects:

- | 1. Health Issues | <u>Yes</u> | <u>No</u> |
|--|--------------------------|--------------------------|
| Is there a <i>Surface Water Treatment Rule</i> violation, i.e., inadequately treated surface water or groundwater under the influence of surface water? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there persistent <i>Total Coliform Rule</i> or nitrate standard violations? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a continuing <i>Boil Water Notice</i> in effect? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a Health Hazard declaration by the State Health Commissioner, a State Declared Emergency, or have you been issued a formal enforcement order? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there persistent PMCL violations for contaminants such as VOC, SOC, IOC, RAD etc.? (circle: VOCs, SOC, IOC, RAD etc.) | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there Lead and Copper Action Levels Exceedances? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does the waterworks have an Enforcement Targeting Tool (ETT) score ≥ 11 ? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project resolve conditions of inadequate quality and quantity of a groundwater source water supply? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project ensure that drinking water receives appropriate treatment to protect the health of the consumers? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project prevent conditions favoring the entrance of contaminants into the distribution system, e.g., inadequate pressure, inadequate storage, system water losses, etc.? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there inadequate individual water supplies documented via report and letter by the District Health Director to show health hazards? | <input type="checkbox"/> | <input type="checkbox"/> |
| Provide as Attachment C-7 supporting report and data with representative samples from at least 25% of the homes in the project area. The samples are to be evenly spaced and all potential line segments sampled. The project map will illustrate the results and problem areas. | | |
| 2. Regionalization – Will this project consolidate non-complying waterworks? Explain below: | | |
| 3. Readiness to proceed | | |
| (a) Please provide documentation as Attachment C-3 that your controlling board, council, president, etc. has approved this project submittal. | | |
| (b) New construction timeline – To provide these answers, USE and submit the attached Construction Project Schedule as Attachment C-6 . | | |
| (c) For new service area customers, please document number of user agreements or commitments obtained in initial survey _____; _____ residential, _____ other.
<i>This initial survey must obtain executed agreements or commitments from at least a majority of the homes in the project area. Continuation of the initial survey is a requirement and the final survey result is intended to obtain 80% or more for the project to be feasible from a positive cash flow perspective. Provide as Attachment C-7 a project map indicating existing potential connections and indicating those committed. NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.</i> | | |
| (d) Provide documentation that an adequate drinking water source or source agreement contract is available and that VDH Field Office has approved as Attachment C-8 . The source agreement contract can be contingent on VDH approving the project construction. | | |
| (e) Please provide a copy of the Preliminary Engineering Conference documentation/notes, letter reports, design notes or the Preliminary Engineering Report for the project as Attachment C-9 . | | |
| (f) Explain/include as Attachment C-10 status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.) | | |

SECTION G -STATISTICAL DATA**1. Water Usage and losses: - Provide supporting documentation as Attachments C-12 and C-21**

- a. Existing/current number of total connections _____ and population _____.
- b. Existing/current number of residential connections _____ and population _____.
- c. Projected/future number of residential connections after project _____ and population _____.
- d. Projected/future total connections of the project _____ and population _____.
- e. What is the current monthly average number of gallons of water used per residential connection? _____ gallons/month.

Use total annual gallons billed for in-town residential customers divided by 12 months and divided by the total number of in-town residential customers.

- f. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g. firefighting) should be excluded.

Water losses as a percentage of total production. = _____%

This percentage includes: ☐ Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)
☐ Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])

2. Individual water meters are on:

- ☐ All services
☐ Only commercial accounts
☐ Only residential customers
☐ Some services: Provide additional information: _____
☐ None are metered.

If none are metered, is metering included in this project? ☐ Yes ☐ No.

Explanatory statement, if appropriate:

3. Rates: Attach rate schedules as Attachment C-11

- a. Existing monthly charges (explain here):
 Water _____
 Sewer _____
- b. When were rates last increased? **Please provide dates and amount/percentage of increase as Attachment C-11.**
 Water _____
 Sewer _____
- c. What is your connection fee for water?
- d. Are rate increases anticipated as a result of this project? ☐ Yes ☐ No
 If yes, please provide the amount and percentage increase expected and the anticipated effective date for the increase(s).

4. Sewer Users

- | a. Service Area Jurisdictions | b. # of Existing Residential Connections | c. # of Project Residential Connections at Completion of Construction |
|-------------------------------|--|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

- d. As **Attachment C-13**, identify Ten (10) Largest Users of the Sewer System and Estimated Monthly Flows per user.

5. Water Users

- a. Service Area Jurisdictions b. # of Existing Residential Connections c. # of Project Residential Connections at Completion
- _____
- _____
- _____
- d. Existing drinking water usage _____ gpd. _____ % residential _____ % nonresidential
- e. As **Attachment C-14**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

6. Determine Average Monthly Residential Water User Rate

- a. Enter the average monthly water used per residential connection from item G.1.e. above: _____ gallons/month
- b. Using the current rate structure (in-town, if applicable) for residential customers apply it to the average monthly residential water usage to derive the average monthly user rate =
- Average Monthly Residential Water User Rate = \$ _____ /month

7. Determine Target User Rates

Target user rates are set as a percent of Median Household Income (MHI). The MHI utilized for a project is to be based upon the latest census figures or latest update for the city, town or county in which the waterworks is located.

<u>MHI (from item E. 4. Above)</u>	<u>Target User Rate</u>
Less than \$44,200	1.00% of the MHI
\$44,200 and above	1.25% of the MHI

Target Water User Rate = \$ _____ /month

8. Evaluate Current Rate Structure

Does the value in Item 6 equal or exceed the value in item 7, above? Yes No
☐ ☐

If you answered "No" then the information indicates the owner may need to raise water rates. Having adequate financial resources is crucial to maintaining a successful and sustainable waterworks. Furthermore, EPA mandates that all borrowers receiving program assistance must demonstrate full financial capacity in order to receive funds.

Waterworks are expected to meet or exceed the target rate criteria at or before the time of project completion. VDH reserves the right to require a rate revision plan and implementation schedule acceptable to VDH.

SECTION H – PROJECT BUDGET INFORMATION – From PER based on existing PWS's financial statements

1. Administration, Legal Expense (should be less than \$10,000 each) \$ _____
2. Land, Right-of-Way \$ _____
3. Architectural Engineering Basic Fees \$ _____
4. Other Architectural Engineering Fees \$ _____
5. Project Inspection Fees \$ _____
6. Other (Explain) _____ \$ _____
7. Treatment Plant Construction \$ _____
8. Pump Station Construction \$ _____
9. Distribution System Construction \$ _____
10. Storage Tank Construction \$ _____
11. Equipment Purchase/Installation \$ _____
12. Contingencies _____ No more than 5% of the construction costs \$ _____
13. Loan Closing Fee* \$ _____ 6,000
14. **TOTAL** [Round to the nearest thousand] (should match Section E) \$ _____

*VDH reserves the right to apply a closing fee of \$6,000 for all applicable loan offers to defray the cost of this service. The \$6,000 may be included in the principal of the loan. If VDH determines a loan closing fee does not apply it will be eliminated from the final budget.

SECTION I – FINANCIAL DATA

1. Annual Operation, Maintenance and Replacement (O, M & R). Estimated Cost for Proposed Facilities:-From PER based on existing PWS's financial statements
 - a. Labor \$ _____
 - b. Utilities \$ _____
 - c. Materials \$ _____
 - d. Water Purchases \$ _____
 - e. Outside Services \$ _____
 - f. Miscellaneous Expenses \$ _____
 - g. Equipment Replacement \$ _____
 - h. Total O, M & R Cost \$ _____

Provide documentation as Attachment C-15 for basis of estimate (i.e. financial statements)
2. Estimated Annual Water Facilities Costs - From PER based on existing PWS's **Financial Statements**
 - a. Net O, M & R (for existing water facilities)
USE Financial Statements \$ _____
 - b. Existing Annual Debt Service for water system
USE Financial Statements \$ _____
 - c. O, M & R for Proposed Facilities \$ _____
 - d. Total (Sum of a+b+c) \$ _____
3. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue
 - a. Residential _____ %
 - b. Nonresidential _____ %
4. For the proposed project - Provide a six-year cash flow analysis as **Attachment C-19** - using VDH project only template- of revenue and expenses (operating budget) showing as a bottom line the funds available for debt service.

5. For the entire waterworks - **Provide** a six-year cash flow analysis **as Attachment C-20** – using VDH overall waterworks template- of revenue and expenses (operating budget).

SECTION J – SUSTAINABILITY

1. Asset Management Plan:

To qualify for Asset Management Plan credit, a waterworks must provide documentation **as Attachment C-22** which demonstrates a minimum of the following:

- Inventory of existing assets/infrastructure, (i.e., sources, treatment, storage, etc.)
- Expected useful life of assets vs. remaining useful life
- Documentation of planned, scheduled maintenance

2. Green Project Reserve (GPR) Business Case:

All applicants must submit a completed business case. To qualify for credit as Green Project Reserve (GPR), a waterworks must show that its proposed DWSRF-funded project has significant (not incidental) green benefits. For credit the project must provide green infrastructure, promote water and/or power efficiency, or provide other innovative environmental benefits. If there are no identifiable benefits enter “zero” GPR dollars.

Applicant	
Contact Name and Phone	
Project Description and associated costs	
What project elements can be classified as potentially green?	
Technical Component	
Financial Component	
GPR Dollars Claimed	\$ and % (as % of VDH funded portion of project)
Signature/Date	